Economic Planning & Analysis Directorate
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Occasional Bulletin
April 1988

TORONTO AREA LABOUR MARKET

1981-1986

District Economist Office
55 St. Clair Avenue East
973-6313

Toronto Area Labour Market 1981-1986

Highlights

*Labour force participation rate for the Toronto CMA has increased for Women (all ages) and Male Youth, while it has declined moderately for Males aged 25 years and over.

*The number of University Graduates has increased dramatically. The majority of these graduates have been female. The number with Trades Certificates has also increased moderately.

*There has been a marked change in the industry distribution of the labour force. The Services sector has been gaining while the Manufacturing and Transportation, Communication and Utilities sectors have been declining.

*The occupational distribution of the labour force has also shifted from Clerical and Processing, Machining, Production and Assembly to Managerial and Administrative and Technology, Social Sciences, Religion and Related.

In this bulletin we analyze labour market and social trends which have developed over the 1981-1986 period. Analysis of data over a longer time frame yields a broader perspective over which to draw inferences; short term variability is less pronounced and we can more readily detect underlying longer term trends. Although this bulletin is predominantly concerned with the labour market of the Toronto area, Ontario and Canada data is used where similar data for Toronto is not available and where Toronto area trends are thought to be similar to those of Ontario or Canada. The narrative refers to the Toronto area unless otherwise stated.

It is important to note that the base case (i.e. 1981) is arbitrary. Not only could we have used any other year, say 1980 or 1982, to compare our current (1986) labour market conditions to, but even during the year of 1981 there was great variability in the state of the economy (the 1981-82 recession beginning and accelerating throughout the latter half of 1981). Fruitful interpretation of the data will result when we focus not on the changes in the aggregate variables but when we focus on subcomponents of aggregate variables, for example: the change in relative distribution of employment in industries; the change in relative distribution of employment in occupations; and the change in participation and unemployment rates according to subgroups (sex or age).

Over the survey period (1981-1986) the labour force grew rapidly (17.9 percent) as a result of both an increasing working age population and increasing participation rate. The participation rate increased by 1.5 percentage points to 72.5 for the working age population as a whole, although as is noted below more variability in the participation rate occurred for different segments of the working age population. The increase in the labour force flowed into both employment and unemployment. Employment grew by 16 percent and unemployment grew by 65 percent. Alternatively stated, 86 percent of the increase in labour force found work while 14 percent did not.* The unemployment rate increased 1.6 percentage points to 5.5 percent.

To appreciate the labour market gains made during this period, the economic environment of this period must be considered. Generally, this period was characterized by: a new corporate mentality of "doing more with less" (this mentality though spawned during the 1981-82 recession to some degree still persists today); structural economic change (i.e. changing technology resulting in obsolete firms); and increased foreign competition (due to both changes in relative productivity between countries and exchange rates) Table I.

Interprovincial migration flows have changed significantly during the 1981-86 period, reflecting both economic and political developments over the decade. During 1976-81 Ontario had a net outflow of about 118,000, most of these persons emigrating to Alberta and British Columbia. During 1981-86

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*This is not strictly true as increases in unemployment came not only from new entrants into the labour market but also from previously employed workers who were laid off for a variety of other reasons.

Ontario became a major destination for provincial migrants, registering a net inflow of about 160,000 persons. Large flows from Quebec to Ontario were posted in both periods. Figure I.

Toronto mobility data reveals a large increase (210 percent) in Migrants From the Same Province, indicating large flows to the Toronto area from other cities and towns within the province. The number of persons immigrating to Toronto from outside Canada decreased 6 percent compared to the 1971-1976 period. Table 2.

Exports have played an important part of the economic recovery, both for Canada and the Toronto area. An important factor in the international race to increase domestic production by increasing exports has been the resultant increase in productivity due to the rising education level of the labour force. This is particularly true in high technology industries. Although labour force education level comparisons between countries is beyond the scope of this bulletin, Table 3 indicates the Toronto CMA working age population has made significant gains in level of education over the survey period. Most encouraging is the large increase (37.7 percent) in university graduates and the drop (1.5 percent) in those with less than grade 9. Also notable is the growth of those with trade certificates (19.5 percent). From 1971 to 1986 the number of male youths (15-24 yrs.) throughout Canada with university degrees has increased only slightly. In comparison female youths with university degrees has increased dramatically, reaching and surpassing the number of male youths. Figure 2.

In 1986 Canadian female university graduates studied predominantly in Education, Recreation and Counselling services,

Humanities and Related fields, Social Sciences and Related Fields and Health Professions, Sciences and Technology. Notably, there were few who studied in Engineering and Applied Sciences and Mathematical and Physical Sciences. Male graduates were more evenly dispersed over the entire range of fields of study, although higher levels were found in Commerce, Management and Business Administration, Engineering and Applied Sciences and Social Sciences and Related Fields. Figure 3.

Female Trades and Other Non-University Certificate Holders were largely concentrated in the Commerce, Management and Business Administration field, followed by the Health Professions, Sciences and Technology field. In contrast, Males were concentrated mainly in Engineering and Applied Sciences Technology and Trade. Figure 4.

Analysis of labour force by industry reveals a changing distribution. The largest gain was posted by the Services industry (aside from Primary which is very small). The labour force in this industry grew by 23 percent or 135,520 in absolute terms. Within this industry Business Services has posted strong growth based upon the area's generally strong economic performance since the 1981-82 recession, while Personal and Accommodation, Food and Beverage Services has benefited from the increasing affluence of a large segment of the population and changing social trends (i.e. increasing women participation rate resulting in increased demand for domestic help and restaurant services). The weakest industries include Manufacturing and Transportation, Communication and Utilities, posting 11 and 9 percent growth respectively. Certain segments of the manufacturing industry have come under increasing pressure from a variety of sources, including plant obsolescence and foreign competition, while some segments such as electronic and high technology firms have been posting substantial gains.

(Table 4.) The Services industry as a percent of the experienced Canadian labour force has been steadily increasing since 1951. It currently represents about one-third of the experienced labour force. Figure 5.

Year-over-year employment growth (percentage) has been tracked for eight quarters beginning 1Q86 for the major industries of the Toronto district. Figure 5a. The Total employment graph reveals declining employment growth throughout 1986 and steadily increasing growth throughout 1987. In Manufacturing we see that employment growth declined throughout all of 1986 and 1Q87, posted actual employment losses in 4Q86, 1Q87 and 2Q87, and then continued employment growth until the end of 1987. Growth in the Construction industry has been quite erratic over this period, although only in 1Q87 were actual employment losses posted. The Transportation, Communication and Utilities industry has been weakening since IQ87 and posting actual employment losses since 3Q87. The Trade industry has followed roughly an exponential growth path. It is unlikely this kind of growth can be sustained for long. The Finance, Insurance and Real Estate industry has been the strongest industry over this period. The graph reveals generally strong exponential growth from 1Q86 to 3Q87 and then a steep decline during 4Q87, in part corresponding to the October stock market adjustment. The Services industry has posted positive, although erratic employment growth over this period. The Public Administration industry has been losing employment on a year-over-year basis throughout both 1986 and 1987 except for 1Q87 where strong growth was posted.

Occupational analysis indicates a changing labour force distribution. Strongest gains have been made in the Managerial and Administration, Technological, Sociological, Religious and Artistic, posting 38 and 26 percent growth

respectively. Comparative weakness is noted in the Clerical, Processing and Machining, Production, Fabricating and Assembly occupations. By sex, the most salient feature is the surge in females entering Managerial & Administrative occupations, 66 percent compared to a 21 percent gain for All Occupations. Table 5.

Although labour force Age and Sex data is quite limited (at writing of this bulletin), distinct secular trends are discernable. Noticeable are the substantial increases in participation rate for female-youth, females 25 years of age and over and male youth. The participation rate for males 25 years and over in contrast has declined moderately. Participation rate changes by sex in Canada is dramatically illustrated in Figure 6 for the 1951-1986 time period. Noticeable are the large increase in slope in 1961 and decrease in 1981 for females. Unemployment rates have increased for all subgroups by about the same amount. Table 6.

Full-time/Part-time Work by Sex for Canada reveals a large increase in the number of part-time workers, both male and female (18 and 16.5 percent respectively). Figure 7.

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TABLE I

Toronto CMA Labour Market

	1981	1986	% Δ 81/86
Working Age Population	2,360,610	2,732,355	15.7%
Labour Force	1,678,565	1,979,830	17.9%
Participation Rate	71.0	72.5	1.5%
Employment	1,612,535	1,870,765	16.0%
Unemployment	66,025	109,060	65.0%
Unemployment Rate	3.9	5.5	1.6%

TABLE 2

Toronto CMA Population 5 years+ Mobility Status

	A 1976-81	B 1981-86	% Δ A/B
Mobility Status			
Population 5 yrs.& over	2,779,040	3,164,995	14.0%
Non-movers	1,388,150	1,677,205	21.0%
Movers	1,390,895	1,487,795	7.0%
Non-migrants	750,350	812,030	8.0%
Migrants	640,545	675,765	5.0%
From same CMA/CA	257,200	N/A	N/A
From same province	135,720	421,040	210.0%
Different CMA/CA	91,500	N/A	N/A
Non-CMA/CA	44,220	N/A	N/A
From different prov.	94,735	111,160	17.0%
CMA/CA	81,435	N/A	N/A
Non-CMA/CA	13,300	N/A	N/A
From outside Canada	152,890	143,560	- 6.0%

Source: Census 1981, 1986

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TABLE 3

Population 15 years and over
by Sex, Education
Toronto CMA

	1981	1986			
	Total	Total	Male	Female	% ∆ 86/81
Less Than Gr.9	382,635	376,910	166,000	210,910	- 1.5%
Grade 9-13	939,405	1,054,400	478,575	575,830	12.2%
Trades Cert.	538,395	643,170	317,910	325,265	19.5%
Some University	226,170	280,570	146,145	134,425	24.0%
University Grad.	274,005	377,300	213,940	163,360	37.7%
TOTAL	2,360,605	2,732,350	1,322,565	1,409,785	15.7%

TABLE 4

Toronto CMA Labour Force by Industry

	1981	1986	% ∆ 81/86
Primary	14,515	18,745	29.0%
Manufacturing	399,630	445,445	11.0%
Construction	91,005	107,780	18.0%
Transp./Communic./Util.	133,885	145,830	9.0%
Trade	304,020	357,435	18.0%
Finance, Ins. Real Estate	142,200	166,870	17.0%
Services	582,535	718,055	23.0%
Not Applicable	10,760	19,660	83.0%
TOTAL INDUSTRIES	1,678,565	1,979,830	18.0%

Source: Census 1981, 1986

Toronto District
Economist Office
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TABLE 5

Toronto CMA Labour Force by Occupation

	1981			1986			% Δ 81/86		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total Labour Force	1678,560	938,500	740,060	1979,830	1079,595	900,235	18.0%	15.0%	22.0%
Not Available	10,760	4,325	6,435	19,660	9,150	10,510	83.0%	112.0%	63.0%
All Occupations	1667,805	934,175	733,630	1960,175	1070,445	889,725	17.0%	15.0%	21.0%
Manag. & Admin.	191,225	136,890	54,335	263,150	172,960	90,185	38.0%	26.0%	66.0%
Teaching & Related	58,855	22,910	35,945	71,820	25,155	46,665	22.0%	10.0%	30.0%
Medicine & Health	62,515	15,250	47,265	76,670	17,375	59,295	23.0%	14.0%	25.0%
Tech.Soc.Rel.& Art	138,885	98,480	40,405	175,045	116,785	58,255	26.0%	19.0%	44.0%
Clerical	402,970	95,505	307,465	439,795	103,115	336,680	9.0%	8.0%	9.0%
Sales	157,770	92,670	65,100	191,260	108,395	82,865	21.0%	17.0%	27.0%
Services	171,055	91,330	79,725	202,325	104,240	98,090	18.0%	14.0%	23.0%
Primary	16,240	13,125	3,115	20,690	16,320	4,360	27.0%	24.0%	40.0%
Processing	42,575	31,055	11,520	44,950	31,855	13,095	6.0%	3.0%	14.0%
Mach.Prod.Fab.Assy.	198,040	143,270	54,770	217,410	157,845	59,570	10.0%	10.0%	9.0%
Construction	79,620	79,620	-	90,260	87,795	2,460	13.0%	10.0%	-
Transp.Equip.Op.	47,425	47,425	-	57,910	52,925	4,990	22.0%	12.0%	-
Other	100,630	66,640	33,990	108,895	75,675	33,220	8.0%	14.0%	- 2.0%

Source: Census 1986, 1986

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Economist Office
April 1988

TABLE 6

Labour Force by Age and Sex
Toronto CMA

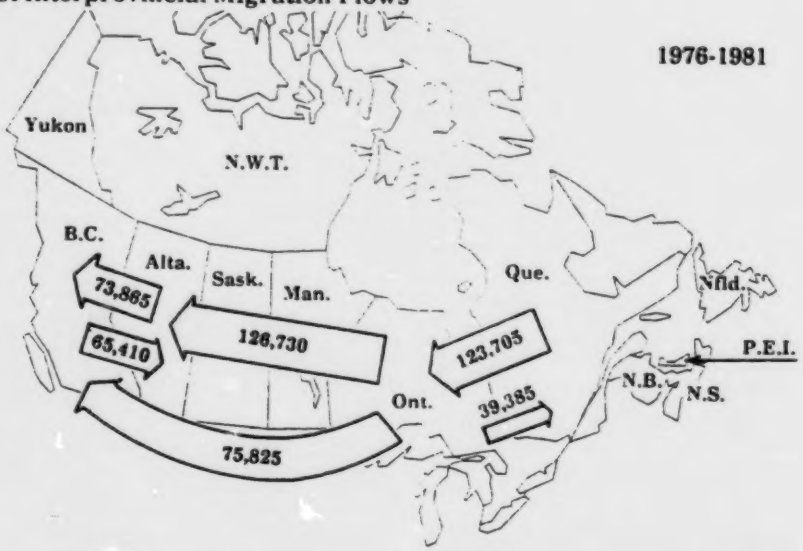
	1981		1986		% Δ	
	Male	Female	Male	Female	Male	Female
Working Age Population	1,141,970	1,218,640	1,322,565	1,409,785	16.0%	16.0%
15-24 yrs.	N/A	N/A	287,145	283,660	-	-
25+ yrs.	N/A	N/A	1,035,420	1,126,125	-	-
Labour Force	938,500	740,065	1,079,590	900,235	15.0%	22.0%
15-24 yrs.	N/A	N/A	210,865	202,620	-	-
25+ yrs.	N/A	N/A	868,725	697,615	-	-
Participation Rate	82.2	60.7	81.6	63.9	- 0.6%	3.2%
15-24 yrs.	70.8	68.1	73.4	71.4	2.6%	3.3%
25+ yrs.	85.8	58.6	83.9	61.9	- 1.9%	3.3%
Employment	906,715	705,820	1,027,780	842,985	13.0%	19.0%
15-24 yrs.	N/A	N/A	189,215	183,060	N/A	N/A
25+ yrs.	N/A	N/A	838,565	659,925	N/A	N/A
Unemployment	31,785	34,240	51,815	57,250	63.0%	67.0%
15-24 yrs.	N/A	N/A	21,650	19,565	N/A	N/A
25+ yrs.	N/A	N/A	30,165	37,685	N/A	N/A
Unemployment Rate	3.4	4.6	4.8	6.4	1.4%	1.8%
15-24 yrs.	7.6	7.1	10.3	9.7	2.7%	2.6%
25+ yrs.	2.3	3.8	3.5	5.4	1.2%	1.6%

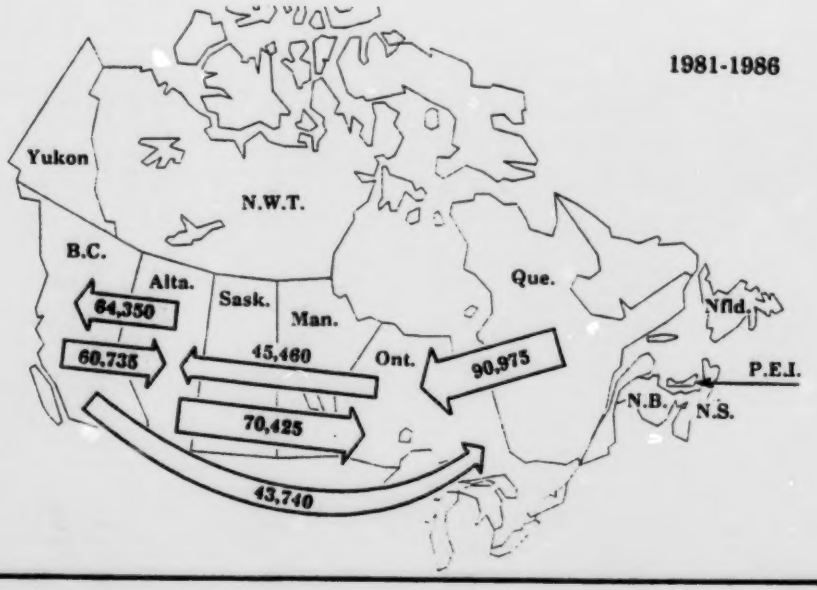
Source: Census 1981, 1986

FIGURE I

Figure

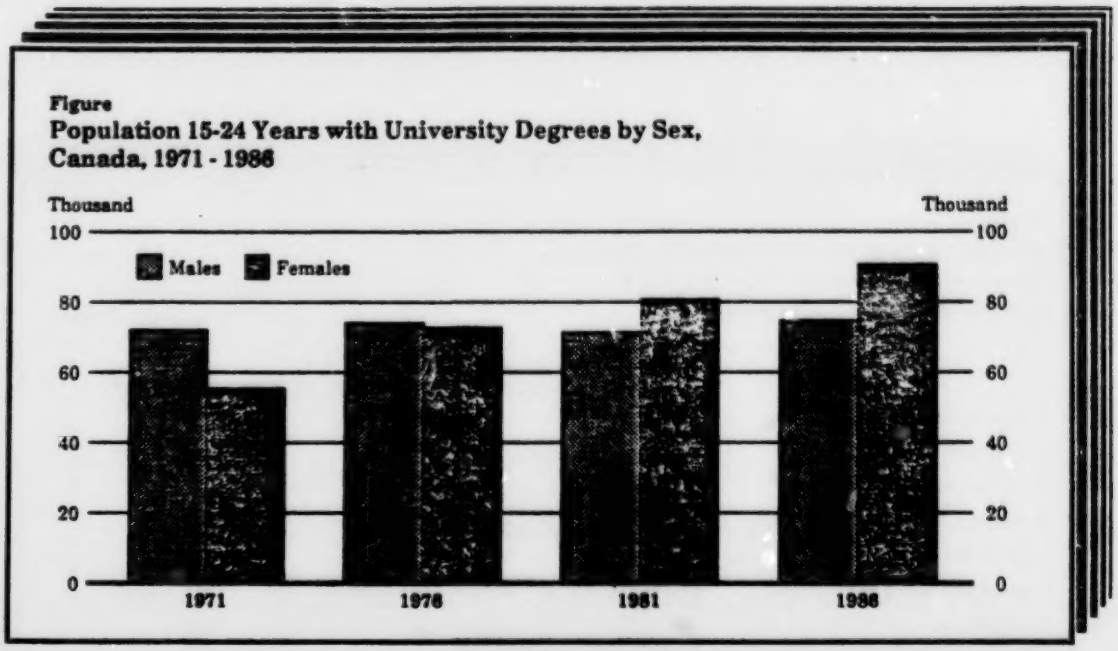
Six Largest Interprovincial Migration Flows





Source: Census 1971-1986

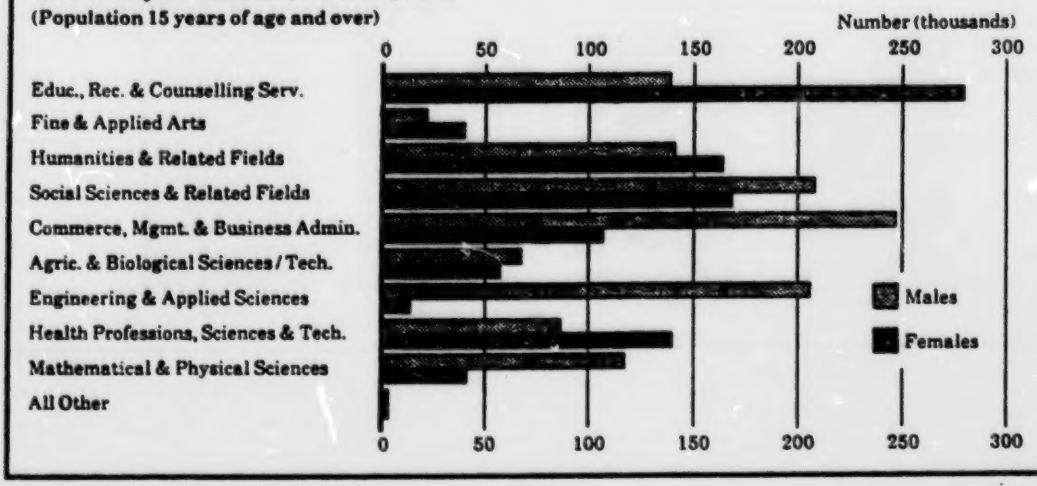
FIGURE 2



Source: Census 1971-1986

FIGURE 3

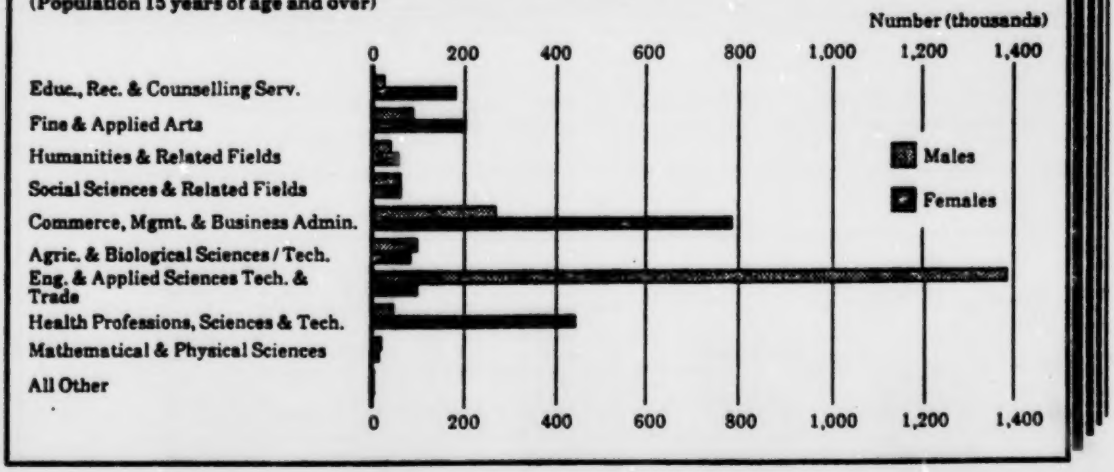
Figure
Major Fields of Study of Male and Female University Graduates, Canada, 1986
(Population 15 years of age and over)



Source: Census 1986

FIGURE 4

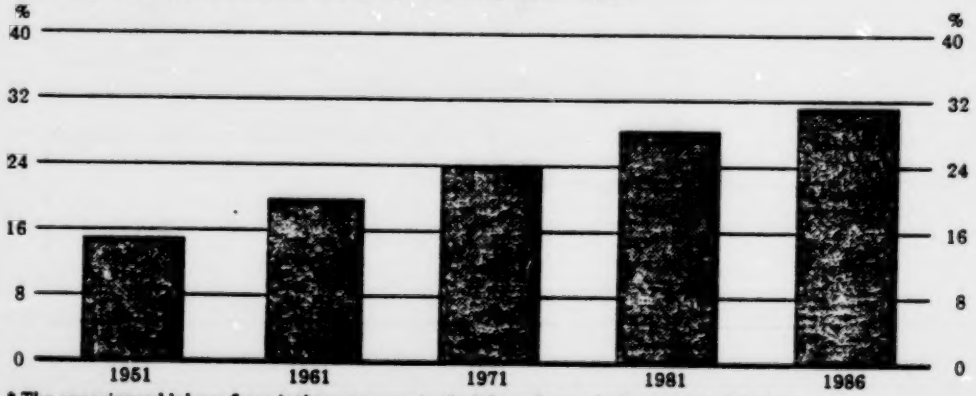
Figure
Major Fields of Study of Male and Female Trades and Other Non-University Certificate Holders, Canada, 1986
(Population 15 years of age and over)



Source: Census 1986

FIGURE 5

Figure
Community, Business and Personal Service Industries as a Per Cent of the Experienced Labour Force*, Canada, 1951 - 1986



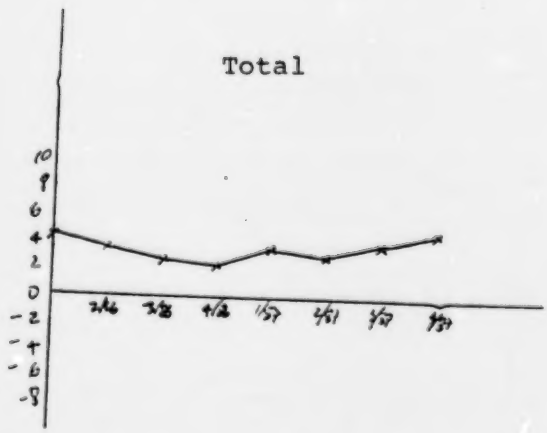
* The experienced labour force is those persons in the labour force who have worked during all, or some part, of the seventeen months preceding Census day (e.g. for the 1986 Census, those who had experienced some employment between January 1, 1985 and June 3, 1986)

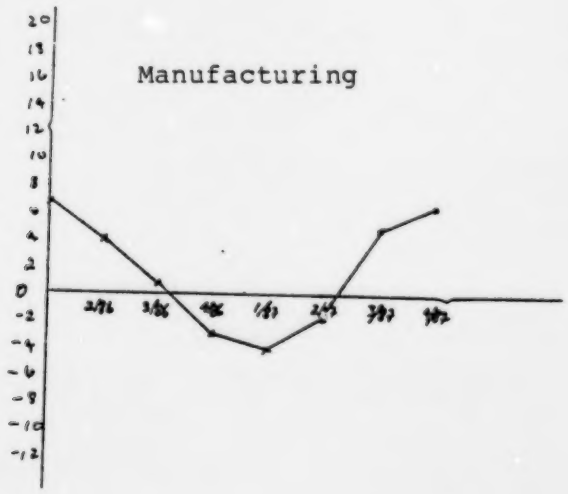
Source: Census 1951-1986

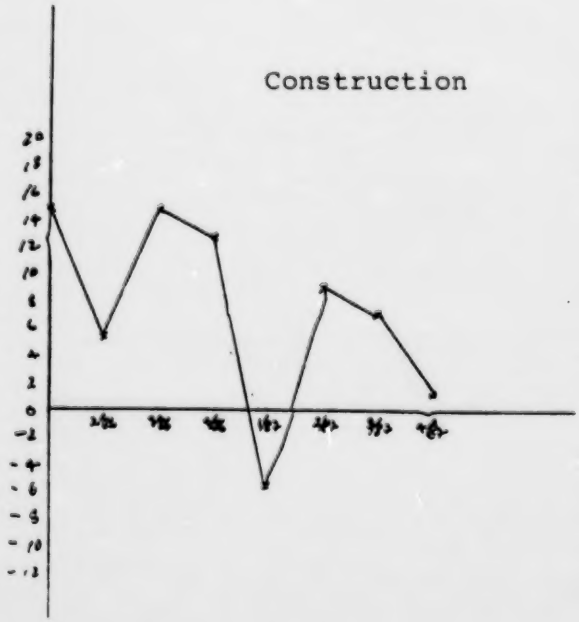
FIGURE 5a

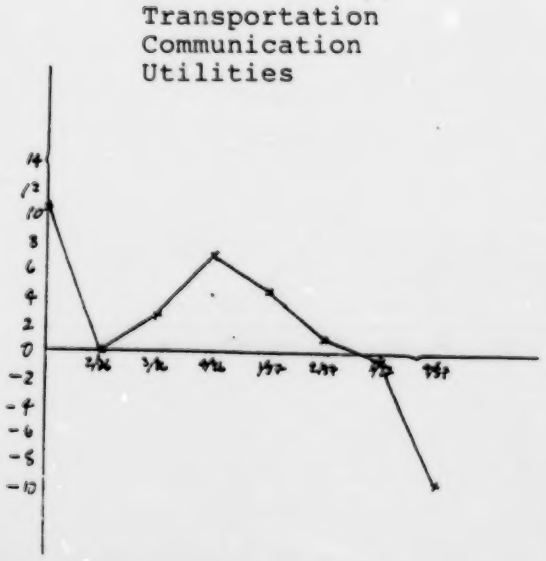
Year/Year Employment Growth (%)

Toronto District



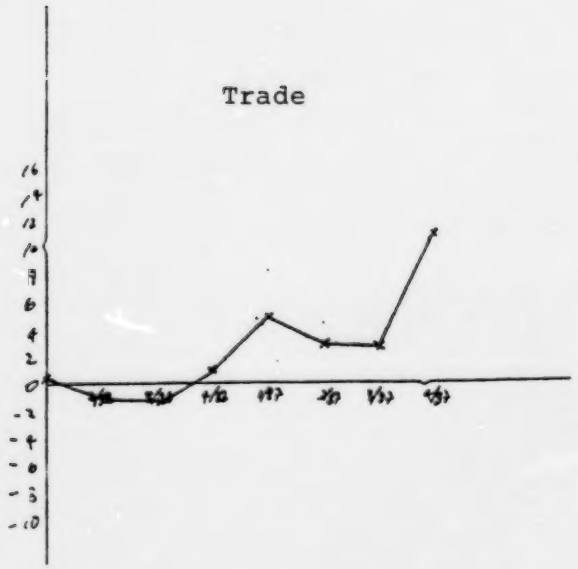


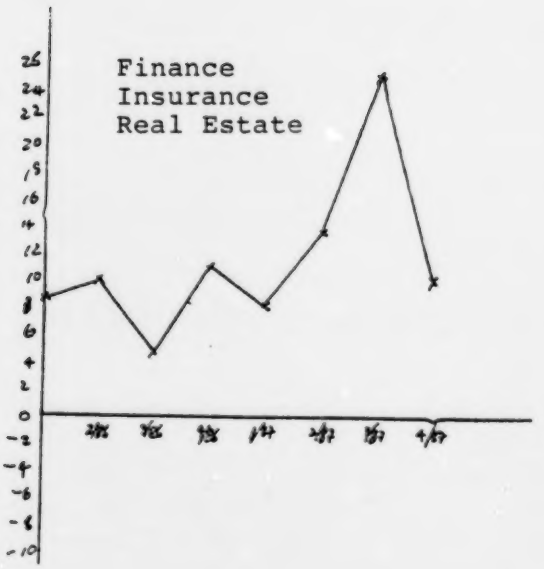


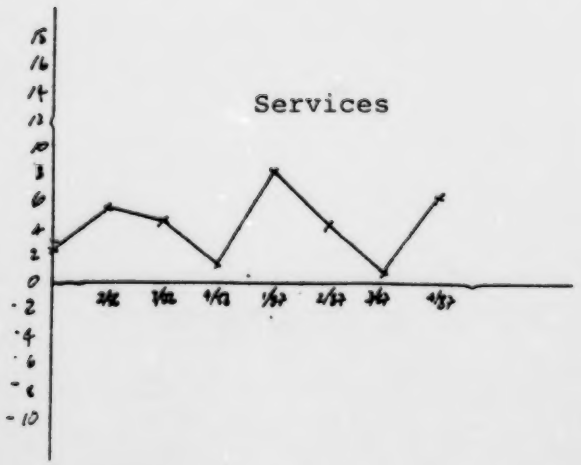


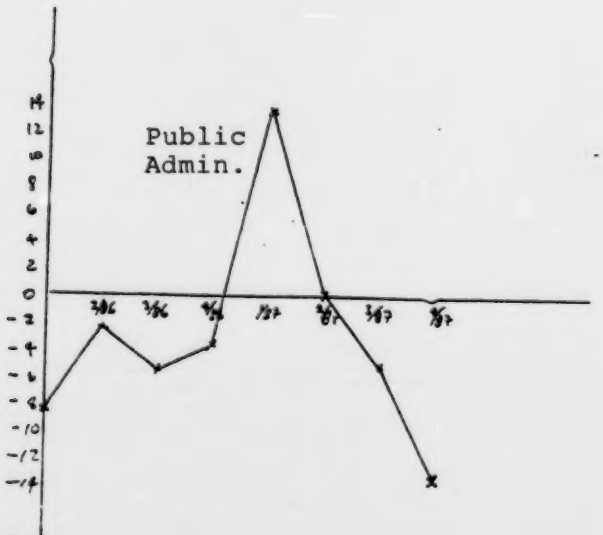
Source: Stats Canada unpublished data

FIGURE 5a (Continued)



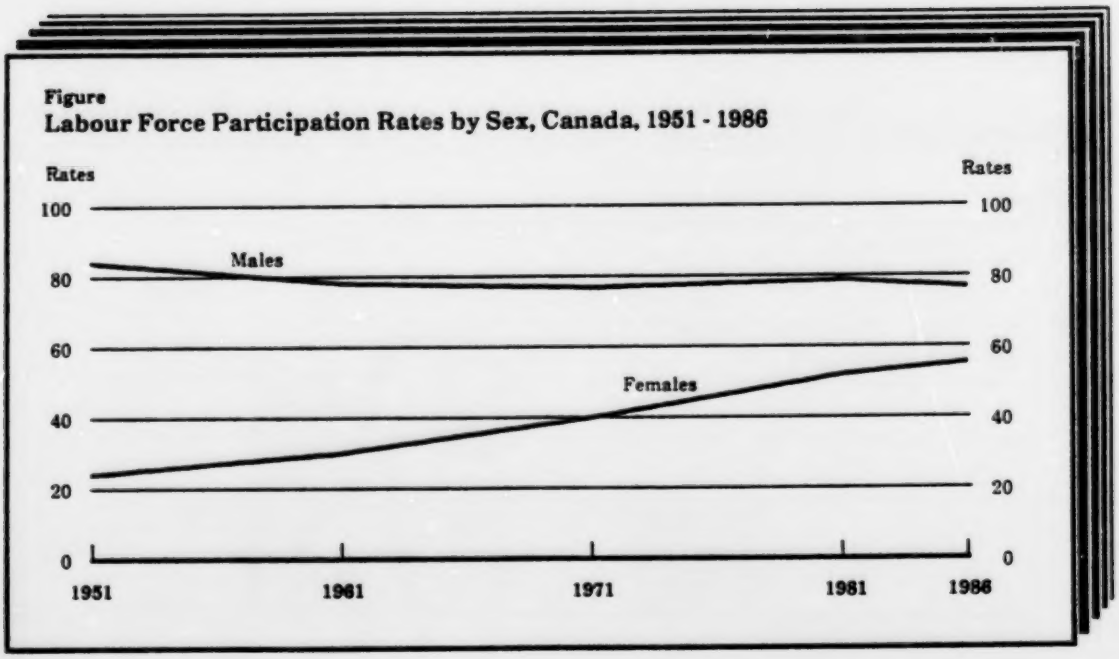






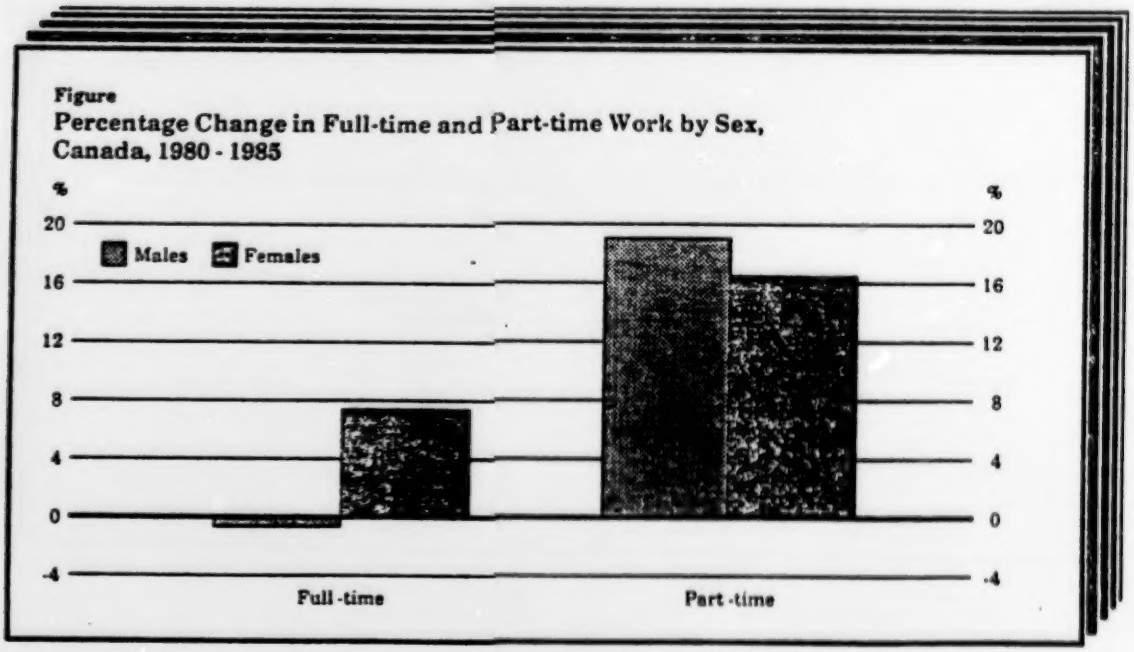
Source: Stats Canada unpublished data

FIGURE 6



Source: Census 1951-1986

FIGURE 7



Source: Census

* In both the 1986 and 1981 Censuses, Canadians of working age were asked how many weeks they had worked in the previous calendar year (e.g. Jan. to Dec. 1985) and whether these weeks were predominantly full-time or part-time.